BITFINEX Alpha

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EXECUTIVE SUMMARY

In this week's on-chain report, we identify that much of the recent price falls in Bitcoin, particularly following the approval of spot Bitcoin ETFs by the SEC, can be attributed to selling by Bitcoin miners, who used the run up in BTC as a catalyst to exit, or leverage, their positions.

Miners in particular are minded to sell given this year's upcoming halving, which will see BTC rewards reduce and hence miner profitability. Selling now provides the capital for miners to upgrade infrastructure and is a reminder of the significant influence on market liquidity and price discovery that miners have. Miner reserves of BTC dropped significantly shortly after the ETF approvals, and last week again saw the largest outflows from miner wallets ever recorded - suggesting that more selling could be imminent.

All that said, despite even some movement of older coins recently, a majority of the Bitcoin supply has remained dormant, indicating that long-term holders are steadfast.

However, in our view it is important to watch a variety of on-chain indicators to forecast market price. The Value Days Destroyed metric for example, has spiked, indicating a period of significant coin movements by relatively newer holders (1-2 year category) that historically has preceded a potential market top. But, Entity-Adjusted Liveliness remains near multi-year lows, reinforcing the narrative of a market with resilient investors.

In the broader economy, the Federal Reserve's recent decision to maintain the policy rate between 5.25 and 5.5 percent, paired with continued quantitative tightening, mirrors the need to balance the thriving pulse of the economy—marked by a robust labour market and soaring consumer confidence—against the lurking risks of inflation.

The US labour market, in particular, displays exceptional vigour, defying expectations with a significant rise in job openings. This resilience, further bolstered by an upward revision of figures for the previous months, underscores a labour market too robust for the Federal Reserve to consider interest rate cuts in this quarter we believe. This sentiment is echoed by the surge in consumer confidence reported by the Conference Board, hitting a peak not seen since December 2021 and reflecting the positive mood in the economy.

Yet, within this positivity, a shift is evident. The Employment Cost Index's slowest pace of growth since June 2021 signals a moderation in labour costs, offering a beacon of relief amidst inflationary concerns. This moderation is to be encouraged and supports the Federal Reserve's decision to hold interest rates steady, while if sustained will reinforce confidence that inflation is gradually easing.

In the latest news from the crypto sphere, Bitfinex Securities recently marked its entry into the El Salvador market, establishing itself as the first registered and licensed provider of digital asset services in the country. Endorsed by El Salvador's National Commission for Digital Assets, the launch reinforces the nation's commitment to nurturing a Bitcoin-driven economic framework.

It was also announced this week that Tether had launched Tether Edu to address the growing need for digital literacy and skills, with a particular focus on emerging markets. This program is in sync with Tether's vision of promoting economic empowerment through blockchain technology and stablecoin awareness. Tether Edu seeks to pave the way for informed and responsible participation in the digital economy, ensuring that the benefits of digital assets are accessible to a broader demographic.

It was also revealed this week that US authorities charged three individuals allegedly connected to a sophisticated $400 million theft from FTX's digital wallets, shortly after the company declared bankruptcy; and lastly, Genesis Global settled a securities lawsuit with the SEC, agreeing to a $21 million penalty related to its Gemini Earn program. This settlement is indicative of the ongoing rigorous regulatory scrutiny faced by crypto firms in the US., and is part of a wider initiative to ensure compliance and stability in the crypto market.

This trend towards greater regulation and oversight is reflective of the industry's maturation and the collective effort to establish a secure, regulated, and trustworthy digital asset environment

Happy Trading!

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WHAT'S ON-CHAIN THIS WEEK?

Largest Selling Pressure From Miners in Nine Months

The Bitcoin Miner Reserve has decreased to 1.826 million BTC, its lowest point since June 2021. This reduction in reserves suggests that miners are either selling off their Bitcoin holdings or leveraging them to raise capital. The primary use of this capital appears to be for upgrading machinery and mining facilities.

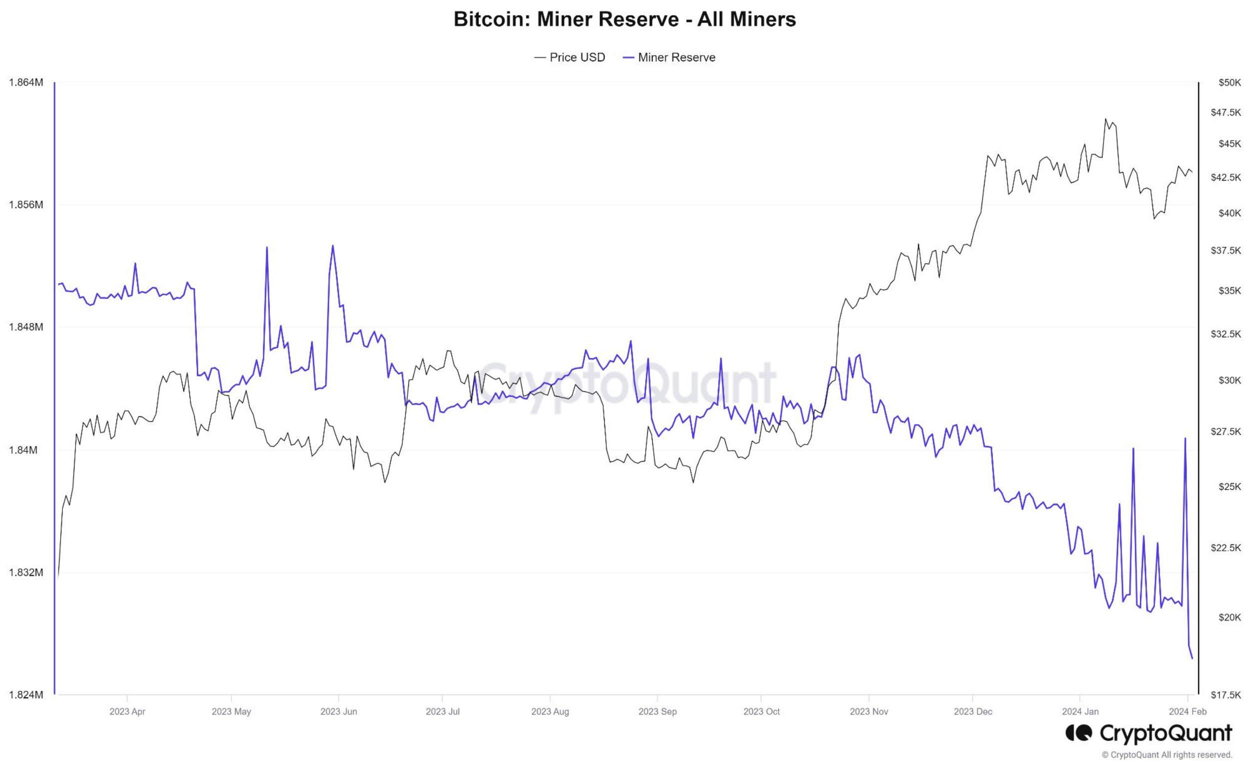


Figure 1. Bitcoin Net Miner Reserve In BTC Terms. (source: CryptoQuant)

The miner reserve metric reflects the amount of BTC held in wallets associated with miners. Essentially, it represents the portion of Bitcoin supply that miners have accumulated and chosen not to sell. The current value of the miner reserve is indicative of the strategies miners are employing to finance their operations and investments in infrastructure.

With the next Bitcoin halving event expected to take place in April 2024, which will mean that Bitcoin miners will receive 50 percent less revenue for each block they mine going forward, miners seem to be selling their holdings of BTC to finance the purchase of more efficient mining rigs. The reduction in revenue could especially impact smaller mining operations, potentially pushing them out of business or leading to their acquisition by larger entities as they struggle to remain profitable when their earnings are reduced.

On-chain analysis reveals that on January 12th, 2024 – the second day of trading for the newly approved spot Bitcoin ETFs – when BTC experienced a sharp decline, dropping close to nine percent, there was a notable increase in Bitcoin miners' outflow to exchanges. According to data from *Glassnode*, over $1 billion worth of BTC was sent to exchanges on this day, marking a six-year high in miner outflow.

Last Thursday, February 1st, there was another significant movement of 13,500 BTC moving out of miner wallets, marking the highest negative outflow since the metric was created. This move followed a day of considerable inflows, around 10,000 BTC, which suggests that the activity could partially be attributed to a rebalancing within the wallets of certain mining organisations. Even if we consider a net outflow of 3,500 BTC over a single day, this is still the highest value observed in the metric since May 2023.

The netflow data, as illustrated in the figure below, clearly shows that since the approval of the Bitcoin ETF, the trend of netflow from miner wallets has been predominantly negative. This indicates a net outflow of BTC from miner wallets, which has been consistent since the commencement of ETF trading. According to data from *CryptoQuant*, this net outflow of BTC from miner wallets amounts to approximately 10,200 BTC.

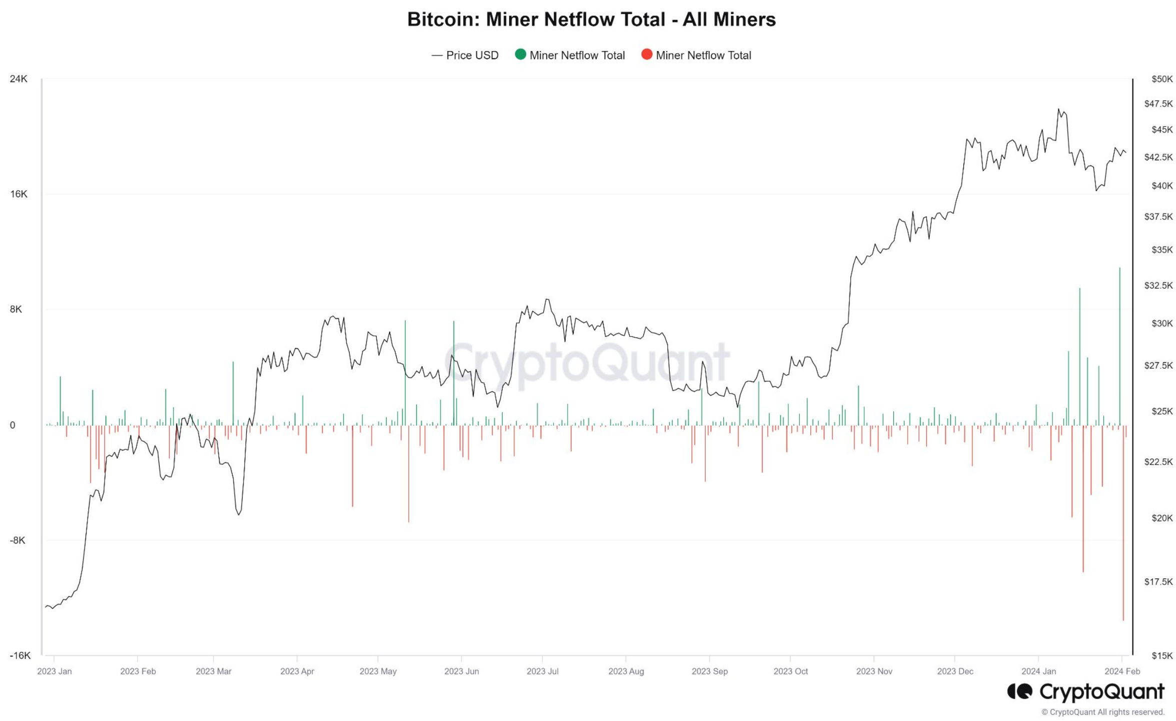


Figure 2. Bitcoin Miner Netflow Total in BTC Terms. (source: CryptoQuant)

This net outflow is influenced by various factors, including the need for operational liquidity, response to market conditions, and strategic adjustments post-ETF approval, capitalising on the price surge that was borne of pre-ETF speculation. This substantial transfer of BTC from miners to exchanges reflects the miners' response to market conditions and potentially their need to liquidate holdings for operational expenses or risk management.

Majority of Long-Term Supply Still Inactive, but VDD Remains Elevated

Following the approvals of Bitcoin ETFs, there has been a slight increase in the spending of older BTC. However, the majority of long-term Bitcoin investors appear to be holding onto their assets, showing reluctance to sell at the current market prices.

The "Supply Last Active" metrics offer insights into the proportion of Bitcoin's circulating supply that has been held in the same wallets over various multi-year time horizons. Recently, there has been a minor decline in the supply last active within the one-year and two-year bands (refer Figure below). Notably, a significant portion of this activity is associated with the Grayscale Bitcoin Trust (GBTC), as long-dormant holdings have been solved or swapped into other BTC ETFs. The result being that a noteworthy volume of BTC, which has been dormant for an extended period, has begun to circulate in recent weeks.

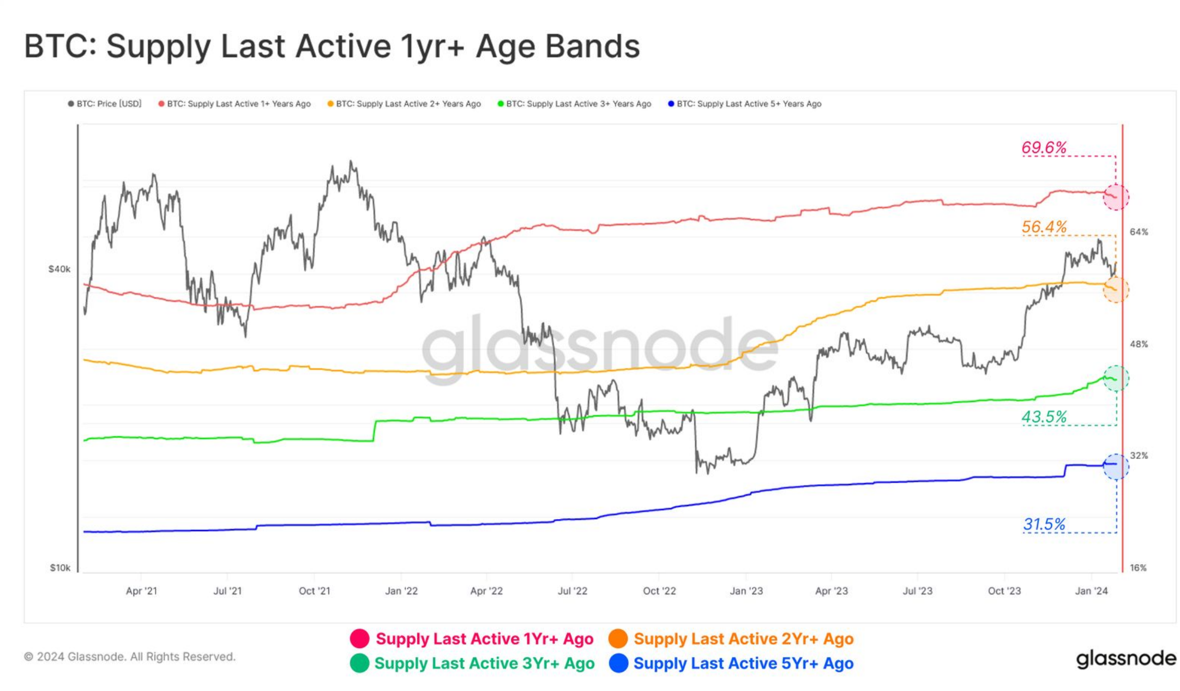


Figure 3. Bitcoin Supply Last Active In Percentage Terms From the One To Five Year Holding Periods. (source: Glassnode)

This movement of older Bitcoin supply is an important indicator of market behaviour, especially among long-term holders. It reflects the changing sentiment and strategies of these investors, who are most likely responding to market developments like the introduction of Bitcoin ETFs or reassessing their positions in light of current market conditions. The current spending of old coins has resulted in a decrease in the gap between stored Bitcoin supply vs active Bitcoin supply with the latter increasing significantly over the past couple of weeks.

We have also witnessed the largest increase in the "liveliness" metric since the sharp price drop in Bitcoin seen in December 2022. This increase in liveliness aligns with the observed uptick in Value Days Destroyed (refer Figure below), indicating that some investors are choosing to sell or move portions of their long-held BTC. The Value Days Destroyed (VDD) Multiple is a key metric used to gauge when Bitcoin's price might be reaching a peak at major cycle highs. VDD is calculated by multiplying Coin Days Destroyed by the price of Bitcoin. This formula is designed to factor in both the spending activity and the variance in BTC price over time.

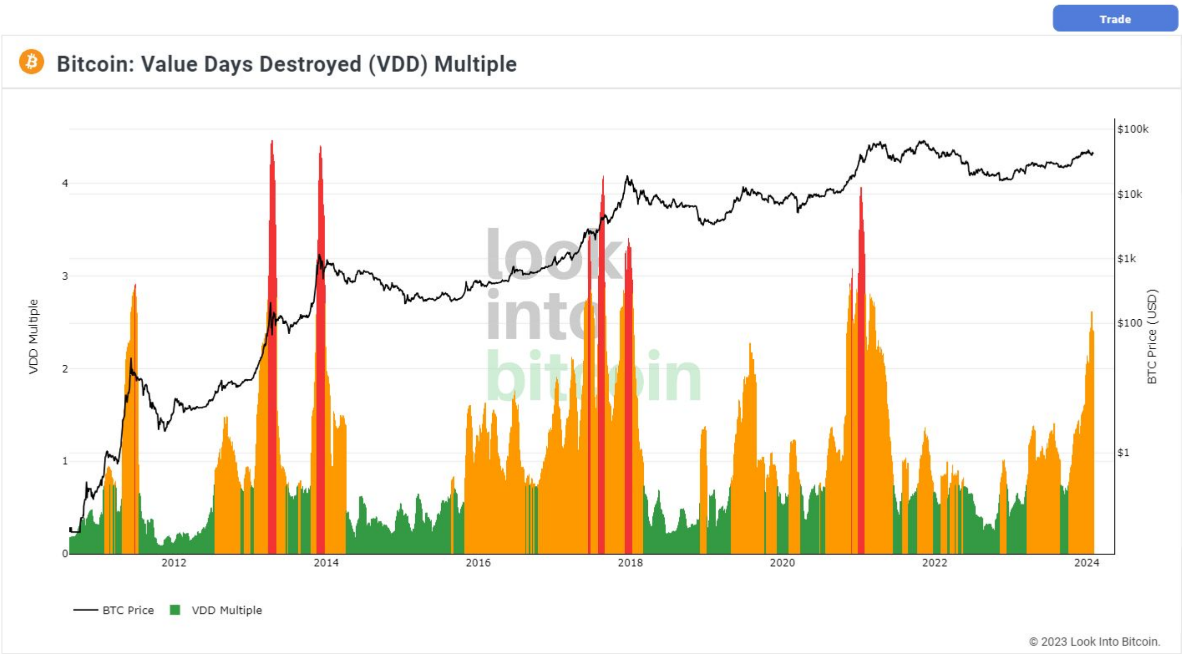


Figure 4. Bitcoin Value Days Destroyed. (source: LookIntoBitcoin)

Since September 2023, there has been an aggressive increase in the VDD, with it recently hitting a level of 2.62. Historically, VDD peaks have slightly preceded the cycle's price peaks and important VDD highs have preceded price highs. For example, in September 2019, VDD experienced a minor increase but then fell to lower lows. Notably, 2019 marked the first time a significant price peak coincided with a VDD value around 2.29, a threshold that has already been exceeded in the current cycle. However, past trends indicate that cycle price tops typically align with a VDD value close to or exceeding 4.1.

When comparing the current trend to past Bitcoin halving events, significant price and VDD peaks were observed midway through the pre-halving year. With the next Bitcoin halving expected in April 2024, and despite a sharp 20 percent drop following the ETF approval, BTC is still not far away from its year-to-date high, and the VDD value remains elevated. This scenario suggests that there may be more downside potential for BTC leading up to the halving.

Despite this increase, it's important to note that, in a broader context, the liveliness metric is still near multi-year lows (refer Figure below). This suggests that a significant majority of the Bitcoin supply continues to be tightly held. The reasons for this could vary: holders may be waiting for higher spot prices before they decide to sell, or they might be looking for increased market volatility as a catalyst for spending their coins.

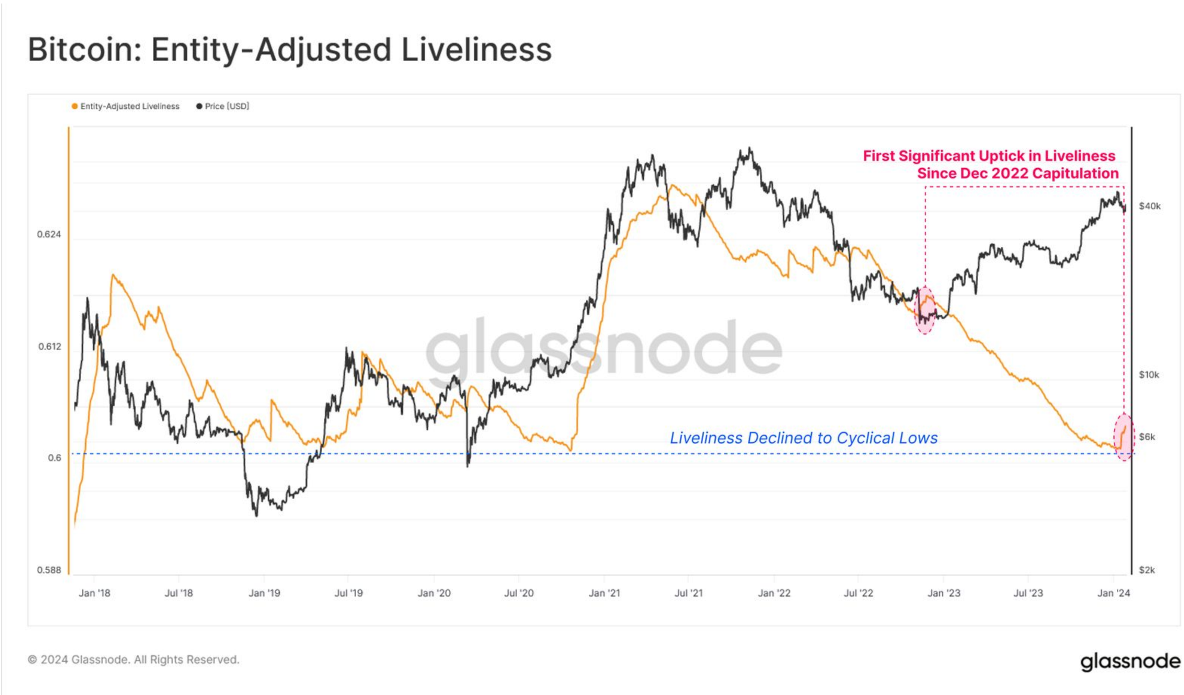


Figure 5. Bitcoin Entity-Adjusted Liveliness. (Source: Glassnode)

This trend of holding, especially among long-term investors, reflects a continued belief in the future appreciation of Bitcoin. It also suggests a wait-and-see approach, where these investors are cautiously monitoring market developments and price movements before making significant decisions about their holdings. This behaviour plays a critical role in shaping the supply dynamics and price stability of Bitcoin in the market.

GENERAL MARKET UPDATE

Federal Reserve Holds Rates Steady Amidst Ongoing Inflation Concerns

The Federal Open Market Committee (FOMC) decided to maintain the current policy rate, which is between 5.25 and 5.5 percent. This decision comes alongside a continued pace of quantitative tightening, signalling a cautious approach towards monetary policy adjustments.

Federal Reserve Chairman Jerome Powell underscored the persistent challenge of inflation, stating in his post-meeting press conference, "Inflation is still too high. Ongoing progress in bringing it down is not assured." He emphasised the committee's stance by maintaining the benchmark overnight interest rate within the 5.25-5.50 percent range. Powell clarified that any consideration of rate cuts hinges on "greater confidence that inflation is moving" towards the Fed's objective of a two percent inflation rate.

During a 48-minute conference with the media, Powell delivered a broadly optimistic overview of the economy, contrasting the initial fears that aggressive inflation control measures might plunge the nation into recession or significantly increase unemployment. Powell highlighted the strength of the economy, noting; "The executive summary would be growth is solid to strong ... 3.7 percent unemployment indicates the labour market is strong ... We've got six good months of inflation data and an expectation that there's more to come." Powell said, "Let's be honest, this is a good economy."

Powell added that rate cuts would be tied to the Fed seeing a sustained downward trend in inflation, which, despite showing signs of decrease, is still considered "elevated."

The FOMC also notably revised its policy statement, omitting a previously included section concerning risks to the banking system, initially added after the 2023 failures of Silicon Valley Bank and others. This change indicates a shift in focus from financial stability concerns to broader economic conditions.

In addition, the Fed chose to exclude mentions of the uncertain impact of tight credit on households and businesses and the "lags" in the effects of monetary policy changes. This suggests confidence in the current positive economic trajectory, barring unforeseen disruptions.

The latest adjustments in the policy statement reflect a gradual shift in the Fed's strategy, marking an end to a two-year period characterised by a tendency to increase rates in response to inflationary pressures. Powell indicated, "Our policy rate is likely at its peak for this tightening cycle and that, if the economy evolves broadly as expected, it will likely be appropriate to begin dialling back policy restraint at some point this year."

The statement also pointed out a more balanced risk outlook for the Fed's primary objectives of employment and inflation stability. The FOMC emphasised its commitment to a deliberate approach, stating it will "carefully assess incoming data, the evolving outlook, and the balance of risks" before making any adjustments to the federal funds rate target range.

This stance is a departure from the Fed's previous statement in December, which primarily discussed conditions for further policy tightening, explicitly excluding the possibility of rate cuts.

With the Core Personal Consumption Expenditure Price index (or core PCE) (which is the Fed's preferred inflation metric) at 2.9 percent, with a three-month and six-month annualised pace now at two percent, the adjustments in the policy statement are an acknowledgement of the need to accurately reflect the current economic risks. We expect the Fed to maintain a cautious and methodical approach towards achieving its goals of price stability and sustaining maximum employment levels.

US Job Openings Surge, Defying Expectations as Labor Market Remains Robust

Figure 6. Job Openings, Total NonFarm (Source: Bureau of Labor Statistics)

Job openings in the United States saw a higher-than-expected rise in December, with revisions also showing higher figures for November. This trend indicates a labour market that's potentially too resilient for the Federal Reserve to consider interest rate cuts within the first quarter.

Jobs Openings and Labour Turnover Survey (JOLTS) report released by the Bureau of Labour Statistics last Tuesday, January 30th, shows that at the end of 2023, the number of job openings climbed, surpassing 9 million for the first time in three months. This indicates that the labour market in the US remains robust, and not showing the level of weakening many had feared during the prolonged 2022-2023 period of rate tightening.

The enduring demand for labour, which has sustained economic growth, nonetheless presents challenges for controlling inflation. The nine million job openings reported in December is up from November's revised count of 8.92 million, which itself was above an initial estimate of 8.79 million. The consensus forecast for job openings in December was 8.8 million.

Despite the increasing number of job openings, however, more Americans are choosing to remain in their current jobs. The report showed that resignations have dipped to their lowest in nearly three years. Resignations in December decreased by 132,000 to 3.392 million resignations. This is the fourth consecutive monthly decline in resignations. This suggests that fewer employees are venturing out for better opportunities- a shift that might contribute to tempering wage increases.

Moreover, the job market's dynamics maintain a ratio of 1.44 available positions for every unemployed person, a consistent figure from November yet a decrease from the value in March 2022, which was two jobs per unemployed person.

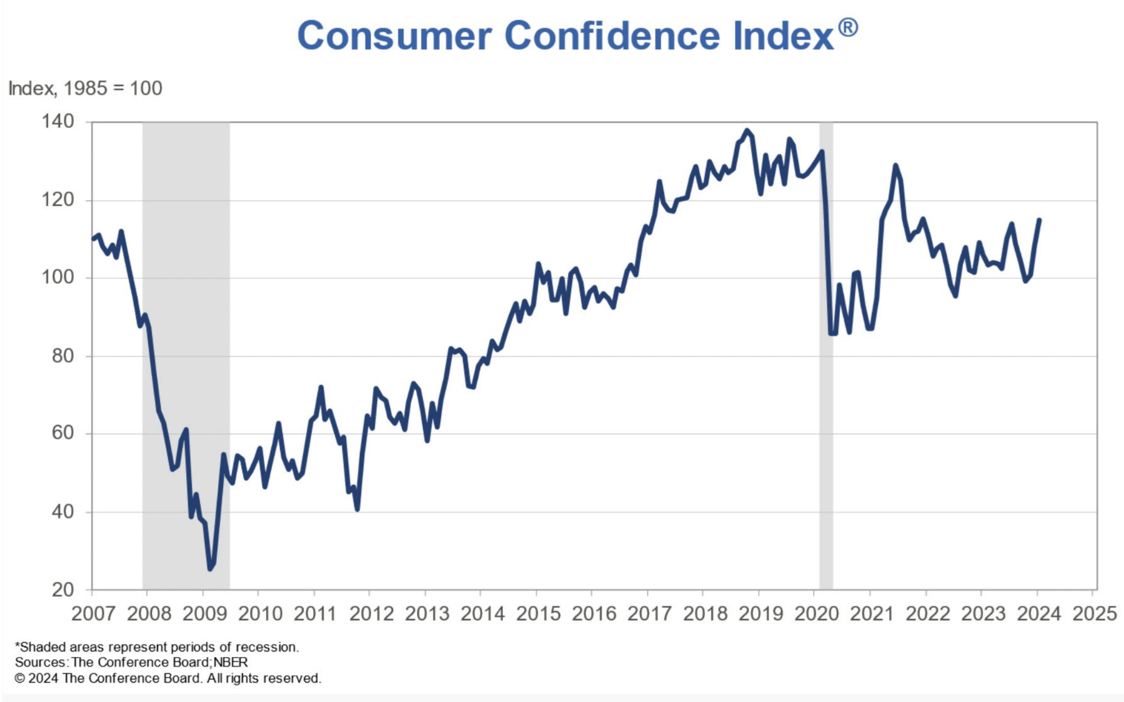
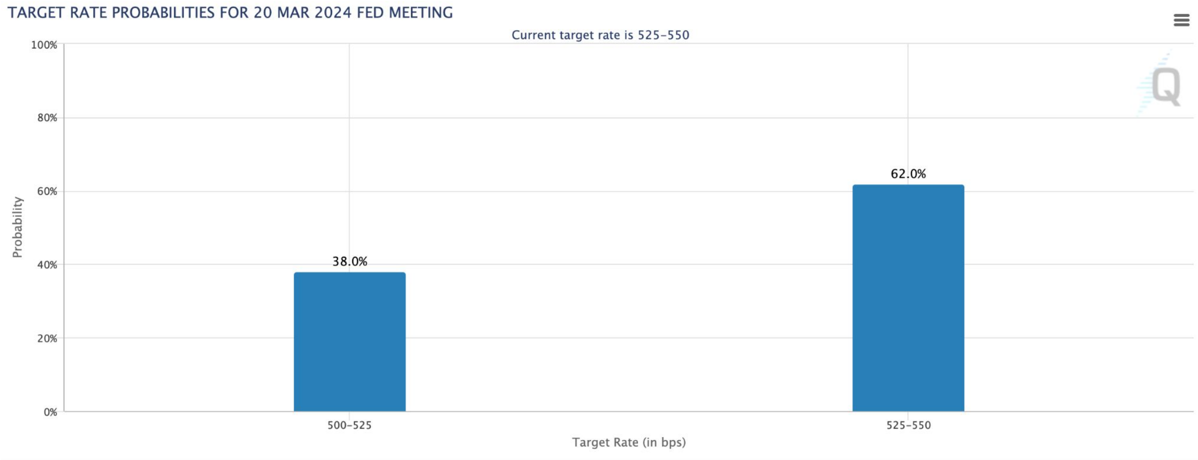


Figure 7. US Consumer Confidence Index (Source: The Conference Board)

In a separate report from The Conference Board, there is also a noticeable rise in consumer confidence, reaching its highest since December 2021. The Conference Board's Consumer Confidence Index was recorded at 114.8 in January, up from 108 in December. This boost is attributed to diminishing inflation rates and the anticipation of a rate cut.

In January, the labour market differential, which is based on participants' perceptions of whether jobs are plentiful, increased to 35.7 in January, up from 27.3 in December, adding more proof of a strong demand for labour.

The rise in consumer confidence in January can be attributed to decelerating inflation, expectations of future rate cuts, and the overall positive state of employment, with businesses maintaining their strong demand for workers. However, the heightened financial confidence among consumers, coupled with the persistently high demand for labour from businesses, still presents a risk of inflating prices.



TARGET RATE (BPS)	PROBABILITY(%)			
	NOW *	1 DAY 2 FEB 2024	1 WEEK 26 JAN 2024	1 MONTH 3 JAN 2024
475-500	0.0%	0.0%	1.4%	6.3%
500-525	38.0%	20.0%	46.2%	64.7%
525-550 (Current)	62.0%	80.0%	52.3%	29.0%

Figure 8. Target Rate Probabilities for March 2024 Fed Meeting , Retrieved February 4,2024 (Source: CME FedWatch Tool)

Consequently, we expect that the Fed will not cut rates within the first quarter. Market sentiment has also shifted regarding the likelihood of an imminent rate cut, as evidenced by the CME FedWatch tool. The tool now indicates only a 38 percent chance of a rate reduction in March (as of February 4th), a significant decrease from the 88.5 percent probability noted at the end of December 2023.

US Wage Growth Slows, Easing Inflation Concerns and Bolstering Hopes for Economic Stability

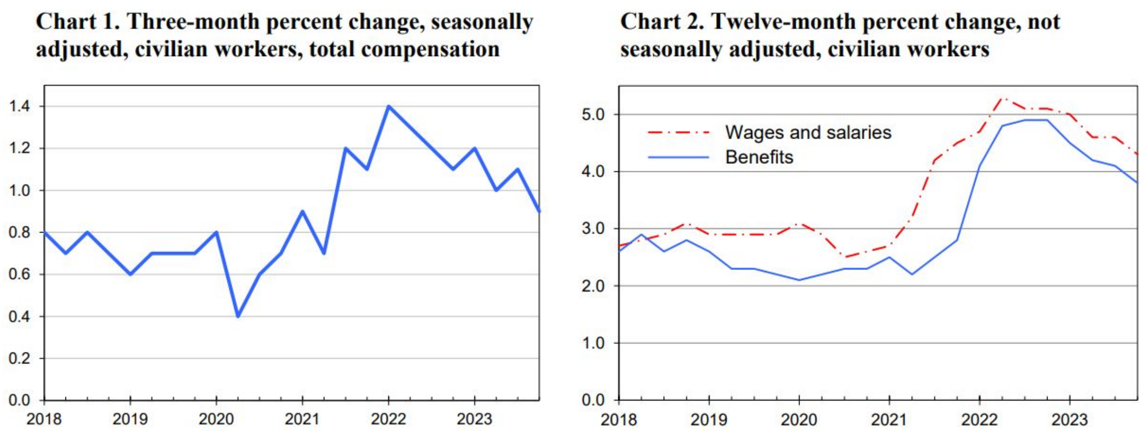


Figure 9. Three-Month Change in Total Compensation and Twelve-Month Change in Wages & Salaries, and Benefits (Notes: Compensation Costs includes Wages & Salaries and Benefits), Source: Bureau of Labor Statistics

The Employment Cost Index, a critical quarterly economic series detailing the changes in the costs of labour, is growing at its slowest pace since June 2021. The Bureau of Labor Statistics reported on Wednesday, January 31st, that the index decelerated to 0.9 percent in the fourth quarter on a seasonally adjusted basis, a slight decrease from the 1.1 percent observed in the previous quarter. On a year-over-year basis, this rate represents a 4.2 percent increase, marginally down from 4.3 percent in the previous quarter.

This data may offer relief to the Fed amid its ongoing battle against inflation. These figures should fortify confidence in easing inflationary pressures.

The growth in benefits, often viewed as an indicator of labour market tightness, also saw a notable slowdown. The increase stood at 0.6 percent in the last quarter, a dip from the 0.8 percent observed in the third quarter last year. This suggests a shift towards a more balanced labour market, characterised by diminished pressure on firms to offer substantial additional compensation for employee retention. This trend aligns with the December JOLTS report, which showed a growing preference among employees to retain their current positions rather than seek new opportunities.

The figures also bolster the likelihood of a 'soft-landing' for the economy, particularly as the deceleration in wage growth is coupled with robust economic performance, reported in the fourth quarter. That said, the Employment Cost Index noted a 4.3 increase in wages and salaries over the 12-month period ending in December 2023, which supports our current thesis that a rate cut remains off the table for this quarter.

US Job Market Surges with Strong Gains, Underscoring its Resilience

The US job market continues to exhibit remarkable resilience, maintaining an unemployment rate below four percent for an unprecedented 24 months, for the first time since 1967. According to the latest report from the Department of Labor's Bureau of Labor Statistics, issued last Friday, February 2nd, nonfarm payrolls saw a significant increase of 353,000 positions in January, keeping the unemployment rate steady at 3.7 percent.

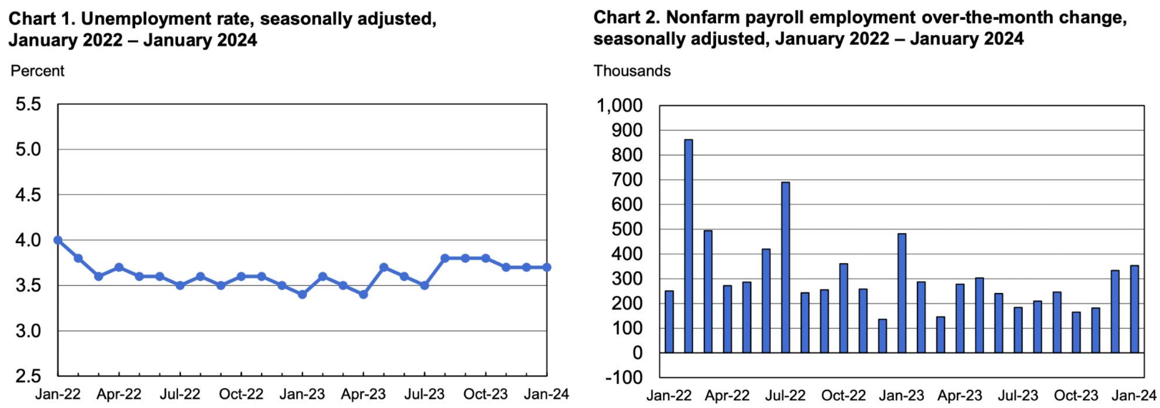


Figure 10. Unemployment Rate and Non Farm Payroll Employment Monthly Change (Source: US Department of Labor)

Notably, the data revealed a significant upward revision for December's job gains, adjusting the figures from 216,000 to 333,000. This surge in employment spanned across various sectors, with a notable prevalence in higher-paying industries. This trend contributed to a surge in average hourly earnings.

The increase in average hourly earnings by 0.6 percent in January marks the most significant rise since March 2022, outpacing the 0.4 percent increase observed in December. On a year-over-year basis, wages have grown by 4.5 percent in January, surpassing the 4.3 percent growth seen in the preceding month. This wage growth significantly exceeds the pre-pandemic average and the 3.0 percent to 3.5 percent range generally considered sustainable alongside the central bank's two percent inflation target. This robust performance has led to a re-evaluation of the likelihood of any policy loosening with March now being seen as too early for rate reductions.

The labour force participation rate has remained consistent at 62.5 percent, despite a decrease of 175,000 in the overall labour force. The median duration of unemployment currently stands at 9.6 weeks, suggesting a relatively swift return to work for those who have recently become unemployed.

CME FEDWATCH TOOL - TOTAL PROBABILITIES				
MEETING DATE	DAYS TO MEETING	EASE	NO CHANGE	HIKE
3/20/2024	45	38.00 %	62.00 %	0.00 %
5/1/2024	87	93.85 %	6.15 %	0.00 %
6/12/2024	129	100.00 %	0.00 %	0.00 %
7/31/2024	178	100.00 %	0.00 %	0.00 %
9/18/2024	227	100.00 %	0.00 %	0.00 %
11/7/2024	277	100.00 %	0.00 %	0.00 %
12/18/2024	318	100.00 %	0.00 %	0.00 %

Figure 11. CME Fed Watch Tool - Total Probabilities for Fed Rate Decision, As of February 4, 2024 (Source: CME FedWatch Tool)

Financial markets are now tempering their expectations, even for a rate cut in May. The resilience in consumer demand coupled with strong worker productivity appears to be driving businesses to expand their workforce and retain employees, a trend that may help safeguard the economy from a potential recession in the upcoming year.

The recent data and revisions for the past quarter have effectively dispelled concerns of a recession. It's evident that companies have resumed their hiring practices, leading to impressive employment gains. We anticipate this trend, if continued, will bolster the Fed's confidence, potentially shifting its focus to rate cuts by the middle of the year.

NEWS FROM THE CRYPTO-SPHERE

Bitfinex Securities Launches in El Salvador

Figure 12. Bitfinex Securities Launches in El Salvador

- **Bitfinex Securities has initiated its operations in El Salvador, becoming the country's inaugural registered and licensed provider for digital asset services**
- **The launch is supported by El Salvador's National Commission for Digital Assets, with Bitfinex Securities poised to play a pivotal role in advancing the country's Bitcoin-based economy**

Bitfinex Securities El Salvador S.A. de C.V., a leading securities token platform, has officially started operations in El Salvador, heralding a transformative phase for the country's digital asset sector. As El Salvador's first registered and licensed provider of digital asset services, Bitfinex Securities is now actively welcoming customer applications. The firm says it has a solid pipeline of potential issuances that will make their debut this year.

The initiative arrives on the heels of the US. Securities and Exchange Commission's recent endorsement and introduction of Bitcoin-based Exchange Traded Funds (ETFs), a development that augurs well for the demand for regulated digital asset instruments. Bitfinex's strategic move follows the establishment of a comprehensive digital asset regulatory framework in January 2023, setting the stage for a fully-operational Bitcoin-based financial markets.

Paolo Ardoino, Chief Technology Officer at Bitfinex Securities, expressed his enthusiasm about the launch, noting, “We are delighted to be able to announce the launch of Bitfinex Securities in El Salvador. This is not only an important market for Bitfinex given its legal adoption of Bitcoin as legal tender and the fostering of a Bitcoin-based economy, but it also gives El Salvador the opportunity to attract global investment flows, as issuers put out competitively priced securities offerings.”

Juan Carlos Reyes, President of the National Commission of Digital Assets in El Salvador, also lauded the collaboration with Bitfinex Securities, praising its exemplary regulatory standards and profound compliance expertise. “The new Digital Assets Securities Law passed last year carved out digital assets regulation from the traditional financial regulator and created the national commission of digital assets, that oversees the supervision and regulation of the ecosystem”, said Reyes.

In the past year, Bitfinex Securities has collaborated with numerous global issuers and has successfully cultivated a substantial pipeline of tokenized financial assets, set to be unveiled shortly. The firm anticipates a significant influx of tokenized assets in the market in the first half of the year, signifying a major leap in financial innovation for Latin America and the world at large.

Three Charged in Multimillion-Dollar FTX Crypto Heist Linked to SIM-Swap Scheme

Figure 13.Three Charged in Multimillion-Dollar FTX Crypto Heist Linked to SIM-Swap Scheme

- **US authorities charged three individuals for SIM-swap attacks, linking them to a $400 million theft from FTX's digital wallets post-bankruptcy**
- **The stolen funds were laundered through various platforms, with FTX's pre-existing security weaknesses likely contributing to the successful heist**

US authorities have charged three individuals with conducting a string of SIM-swap attacks, linking them to the substantial $400 million theft from FTX's digital wallets, shortly after it declared bankruptcy in November 2022. A court document filed on January 24th in Washington, D.C., accuses Robert Powell, Carter Rohn, and Emily Hernandez of executing these attacks, manipulating telecom services to reroute phone numbers of 50 victims to their own devices.

The legal document describes a specific incident where Hernandez purportedly posed as an employee of a company, subsequently referred to as "Victim Company-1," and Powell infiltrated their AT&T account. This breach led to the unauthorised transfer of over $400 million in digital currency from the company's crypto wallets. Insights from blockchain analytics group Elliptic spells out how the funds were laundered and progressed through the blockchain.

c. **Victim Company-1**

i. On or about November 11, 2022, **POWELL** instructed co-conspirators to execute a SIM swap of the cellular telephone account of an employee of Victim Company-1, which was maintained by AT&T.

ii. On or about November 11, 2022, a co-conspirator sent **HERNANDEZ** a fraudulent identification document with the PII of Victim Company-1's employee but bearing **HERNANDEZ**'s photograph, which **HERNANDEZ** then used to impersonate that person at a mobile service provider store in Texas.

v. On or about November 11, 2022, and continuing into November 12, 2022, co-conspirators transferred over $400 million in virtual currency from Victim Company-1's virtual currency wallets to virtual currency wallets controlled by the co-conspirators.

The method of attack, known as SIM swapping, is notorious for allowing cybercriminals to intercept authentication codes, compromising accounts of notable individuals and organisations. Just last month, the US Securities and Exchange Commission's X account fell victim to such an attack, leading to inaccurate announcements regarding Bitcoin exchange-traded funds.

FTX's vulnerabilities, especially post-bankruptcy, were highlighted by its CEO and restructuring lead, John J. Ray III, who criticised the company's weak security infrastructure. Powell, Rohn, and Hernandez now face legal repercussions for their alleged involvement in wire fraud conspiracy and identity theft related to these incidents.

Tether Launches Global Education Initiative to Empower Digital Skills Development

Figure 14. Tether Launches Global Education Initiative to Empower Digital Skills Development

- **Tether introduces Tether Edu, a global initiative to advance digital education and skill-building, with a focus on emerging markets and various digital discipline**
- **The initiative aligns with Tether's vision of economic empowerment, and builds on strategic partnerships to promote blockchain technology and stablecoin awareness**

Tether, the operator of the world's largest stablecoin, has unveiled Tether Edu, a comprehensive educational initiative. According to an announcement issued last Thursday, February 1st, the new initiative will democratise the acquisition of digital skills and enable personal empowerment. As an extension of Tether's educational outreach, Tether Edu will orchestrate an array of educational programs globally.

The initiative will partner with leading industry figures to provide diverse learning experiences. These include hybrid courses, bespoke workshops, and specialised masterclass programs, not limited to blockchain technology but also spanning design, AI, coding, and other digital domains. Tether Edu intends to create a dynamic learning environment that adapts to the evolving demands and innovations within various digital sectors.

Geographically, Tether Edu's vision extends across continents, with a strategic emphasis on nurturing talent in burgeoning markets such as Africa, Latin America, the Middle East, Europe, the Commonwealth of Independent States, and Asia.

Paolo Ardoino, Tether's CEO, emphasised the transformative potential of Tether Edu, stating, "Tether Edu represents a leap forward in our sustained commitment to drive digital education worldwide, with a particular emphasis on empowering emerging markets.” He further elaborated, “We firmly believe that financial tools, exemplified by USDt, are not merely instruments for transactions but catalysts capable of rewriting economic history. Education stands as the cornerstone of this journey, serving as a linchpin for fostering economic prosperity and sustainable development. By imparting essential digital skills, Tether Edu aims to bridge knowledge gaps, empower individuals, and ignite economic growth. In our conviction, educational initiatives such as Tether Edu are not just enriching minds; they are architecting the foundations of economic empowerment and prosperity on a global scale."

This announcement is in line with Tether's ongoing efforts to enhance digital literacy, following strategic partnerships and collaborations with organisations such as the Academy of Digital Industry in Georgia and Bitkub, Thailand's premier local exchange. These alliances are crucial in broadening access to educational materials and heightening awareness of stablecoins and blockchain technology within various communities.

Genesis Global Settles SEC Lawsuit for $21 Million Amidst Broader Regulatory Crackdown on Crypto Firms

Figure 15. Genesis Global Settles SEC Lawsuit for $21 Million Amidst Broader Regulatory Crackdown on Crypto Firms

- **Genesis Global settles SEC's securities lawsuit for $21 million, resolving claims related to its Gemini Earn program.**
- **The settlement is part of the SEC's wider regulatory actions against US crypto firms**

Genesis Global Holdco, a bankrupt crypto lender, along with its related companies, has reached an agreement with the United States Securits lawsuit against the company.

Outlined in a document submitted to the US Bankruptcy Court in the Southern District of New York on January 31st, a hearing is now arranged for February 14th to acknowledge the settlement. The dispute stemmed from accusations against Genesis concerning the Gemini Earn programme, which the SEC said represented an "unregistered offer and sale of securities."

"The Settlement Agreement is the product of extensive negotiations between the SEC and GGC," the court filing stated and in part said it would yield several advantages for the estates of the debtors, by saving costs and other potential complications that often accompany extended legal confrontations with the SEC.

Genesis suspended withdrawal on its platform in November 2022 and proceeded to declare bankruptcy in January 2023, in the same month that the SEC issued a lawsuit against the company. The bankruptcy declaration also triggered a series of legal challenges involving Gemini, Genesis, and the parent company of Genesis, Digital Currency Group, including its CEO, Barry Silbert.

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Proposed Hearing Date, Time: February 14, 2024 at 10:00 AM (Prevailing Eastern Time)
Proposed Objection Deadline: February 7, 2024 at 4:00 PM (Prevailing Eastern Time)

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and Debtors-in-Possession

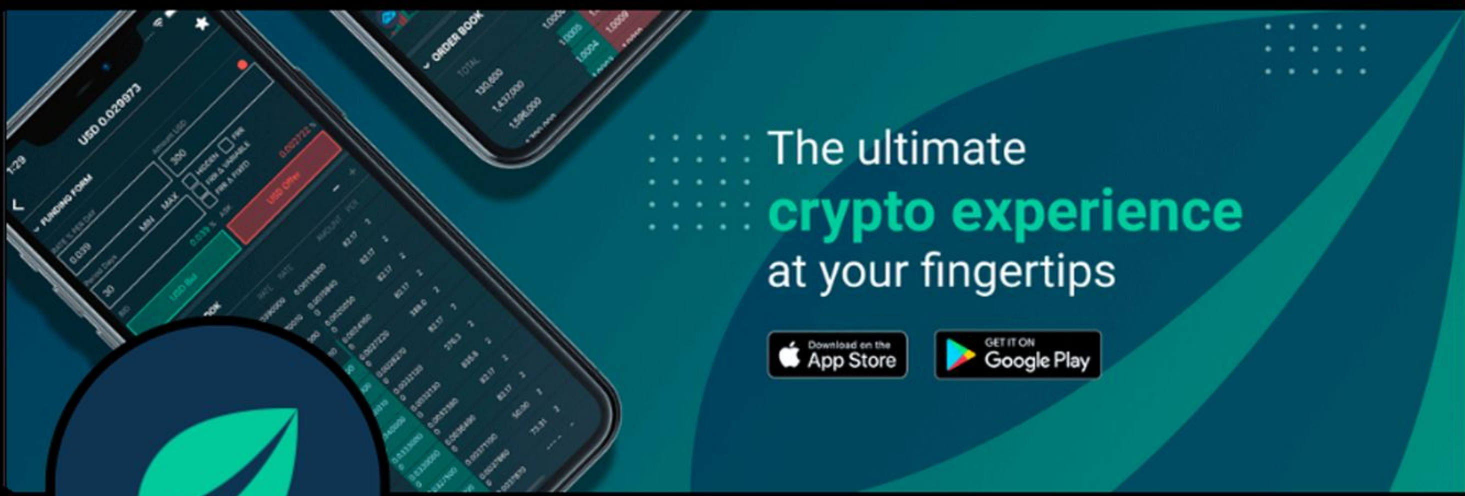
UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
Genesis Global Holdco, LLC, *et al.*,[1]	Case No.: 23-10063 (SHL)
Debtors.	Jointly Administered

NOTICE OF HEARING ON DEBTORS' MOTION FOR ENTRY OF AN ORDER APPROVING A SETTLEMENT AGREEMENT BETWEEN GENESIS GLOBAL CAPITAL, LLC AND THE U.S. SECURITIES AND EXCHANGE COMMISSION

PLEASE TAKE NOTICE that on January 19, 2023 (the "Petition Date"), Genesis Global Holdco, LLC ("Holdco") and its affiliates Genesis Global Capital, LLC ("GGC") and Genesis Asia Pacific Pte. Ltd. ("GAP"), as debtors and debtors-in-possession in the above-captioned chapter 11 cases (collectively, the "Debtors"), each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code") with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court").

This recent settlement announcement is a part of the SEC's continued legal engagements with cryptocurrency enterprises operating in the United States. This list includes prominent names such as Ripple, Binance, Coinbase, and Kraken.



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